

## Fifth Amendment to the Iowa Medicaid Enterprise Program Integrity Contract

This Fifth Amendment to Contract Number MED-10-013-A is effective September 1, 2014, between the Iowa Department of Human Services ("Agency") and Optum Public Sector Solutions, Inc. ("Contractor").

### Section 1: Amendment to Contract Language

The Contract is amended as follows:

**Revision 1. Section 6.2.1.3 of the RFP, incorporated into the Contract by reference, is hereby modified to read as follows:**

#### 6.2.1.3 Performance Standard

- a. In calculating recoveries from SURS and provider review activities, delineate the following:
  1. Measurable and quantifiable recoveries, which are actual recoupments made and money received.
  2. Avoided costs, which are those expenses eliminated or reduced as reducing future costs of the Medicaid program (such as identifying a new MMIS edit that will reduce costs of Medicaid claims).
  3. Enhanced revenues that are additional recoveries that the SURS staff identified, including those funds that are included in pending appeal hearings at any point in time.
- b. Annually review a random minimum sample of .5 percent of paid claims.
  1. The reviews will involve performing both in-house and field reviews, as well as claims reviewed by automated audits (analytics).
  2. Review cases must include providers who exceed calculated norms and a random sample of providers who do not exceed norms.
- c. Open a minimum of 240 cases for provider reviews during each year according to the following criteria.
  1. All cases referred from the Department must be opened in the quarter referred.
  2. Review cases must include both providers who exceed calculated norms, and a random sample of providers who do not exceed norms.
  3. The Contractor will monitor the provider mix between desk reviews and automated reviews to ensure provider type coverage.
- d. On average for all cases, complete reviews within 120 days when all documentation required necessary to perform the review has been obtained.
- e. Proposals for cost avoidance measures submitted by SURS staff members or other entities will be analyzed and addressed with a response for proposed action (including the option of closure) within 30 days of the date the proposal was submitted.
- f. Proposals for cost avoidance measures that have been approved for follow-up action to be implemented by the SURS unit will be addressed

with the identified follow-up action within 45 days of the date that the proposal was approved by the SURS Contract director.

**Revision 2. Section 6.1.3.4.3 (c)(2) of the RFP, incorporated into the Contract by reference, is hereby modified to read as follows:**

2. In every subsequent option year, an increase of \$2.5 million more in state savings than in SFY 2013 as evidenced by the table below:

Third Year of Base Contract: SFY 2013	Option Year 1 SFY 2014	Option Year 2 SFY 2015	Option Year 3 SFY 2016
\$25M	\$27.5M	\$30M	\$32.5M

Any recoveries generated in a given State fiscal year during the initial term or any optional renewal term, regardless of whether the Contractor is paid for them on a fixed fee or contingent basis as well as any cost avoidance shall be counted toward the state savings threshold for that State fiscal year.

**Revision 3. Section 6.2 of the RFP, incorporated by reference into the Contract, is hereby amended by adding a new Section 6.2.8 entitled “IHAWP Operations,” as well as subsections thereunder as follows:**

## **6.2.8 IHAWP Operations**

### **6.2.8.1 IHAWP Operations**

The Contractor shall support operations of the Iowa Health and Wellness Plan (“IHAWP”).

### **6.2.8.2 State Responsibilities**

Agency staff will:

- a. Provide policy direction and administrative decisions regarding the project as the program matures.
- b. Monitor the Contractor’s IHAWP Operations performance.

### **6.2.8.3 Contractor Responsibilities**

Contractor shall provide required support for the IHAWP program, including but not limited to:

- a. Provide one additional program integrity reviewer/analyst to begin work between September 1, 2014, and no later than November 1, 2014, on IHAWP related reviews and analytics.
- b. Conduct quarterly analytics and compare MMIS claims data against IHAWP encounter data to ensure that the department is not making duplicate payments for the same beneficiary and/or date of service.
- c. Validate “wrap-around” payment requests from Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) related to the

IHAWP members treated by FQHCs and RHCs through analysis of encounter data and data submitted with the “wrap-around” payment requests.

- d. Validate IHAWP encounter data against National Correct Coding Initiative (NCCI) edits on a quarterly basis to identify cost saving opportunities.
- e. Use IHAWP encounter data to develop one new data analytics per quarter related to detecting fraud, waste and abuse in the IHAWP population.
- f. Provide support to Program Integrity as outlined in the Contract sections 6.2.1 through 6.2.5.
- g. Use the ImpactPro software to identify IHAWP members who have a medically exempt status.
- h. Support IHAWP activities undertaken by the Agency in the future.

#### **6.2.8.4 Performance Standards**

In performing the tasks related to the support of IHAWP program, the Contractor outputs include but are not limited to:

- a. Quarterly reports containing the results of the analytics performed to identify payments made by Medicaid for IHAWP members.
- b. As required, wrap around payment validation reports.
- c. Quarterly IHAWP related algorithms.

**Revision 3: Contract Section 7.1, Performance Based Contract, is hereby amended by adding the following text at the end of the Section:**

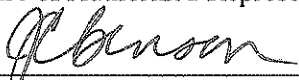
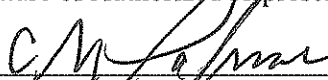
Notwithstanding the above, for the Scope of Work set forth in Section 6.2.8 of the RFP, Contractor shall also be entitled to receive \$110,000 per state fiscal year, (\$9,166.67 per month) prorated based on the start date of the reviewer/analyst set forth in RFP Section 6.2.8.3.

#### **Section 2: Ratification and Authorization**

Except as expressly amended and supplemented herein, the Contract shall remain in full force and effect, and the parties hereby ratify and confirm the terms and conditions thereof. Each party to this Amendment represents and warrants to the other that it has the right, power, and authority to enter into and perform its obligations under this Amendment, and it has taken all requisite actions (corporate, statutory, or otherwise) to approve execution, delivery and performance of this Amendment, and this Amendment constitutes a legal, valid and binding obligation upon itself in accordance with its terms.

**Section 3: Execution**

IN WITNESS WHEREOF, in consideration of the mutual covenants set forth above and for other good and valuable consideration, the receipt, adequacy and legal sufficiency of which are hereby acknowledged, the parties have entered into the above Amendment and have caused their duly authorized representatives to execute this Amendment.

<b>Contractor, Optum Public Sector Solutions, Inc.</b>	<b>Agency, Iowa Department of Human Services</b>
Signature of Authorized Representative: 	Signature of Authorized Representative: 
Printed Name: Jean Benson	Printed Name: Charles M. Palmer
Title: VP, Finance	Title: Director
Date: Sept 25, 2014	Date: 10-3-14